

May 26, 2021

VIA E-FILING & COURIER

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

Re: Dkt. 5150 -- In Re: Consideration of Performance Based Remuneration in RE Growth (R.I. Gen. Laws § 39-26.6-12) – Responses of The Narragansett Electric Company d/b/a National Grid to PUC Set 1

Dear Ms. Massaro:

Please find attached an electronic filing with the responses of The Narragansett Electric Company d/b/a National Grid to the first set of data requests issued by the Public Utilities Commission in the above-referenced proceeding.

Consistent with the instructions issued by the Commission on March 16, 2020, and updated on October 2, 2020, this filing is being made electronically. Five (5) hard copies will be submitted to the Commission within twenty-four (24) hours, with two (2) hard copies being three-hole punched.

Thank you for your attention to this matter. If you have any questions, please contact me at 781-907-2126.

Very truly yours,



Laura C. Bickel
RI Bar # 10055

Enclosures

CC by e-mail: Dkt. 5088 Service List

Docket No. 5088– Renewable Energy Growth Program for Year 2021
National Grid & RI Distributed Generation Board
Service List updated 4/20/2021

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PUC 1-1

Request:

What does the respondent think the income eligibility should be based on? Ex: A-60 enrollment or some other eligibility identifier. If it is something else, please provide the incremental cost of identifying and qualifying those customers, or, if quantification is not possible right now, at least describe the process you might expect to be followed.

Response:

Customers could be enrolled in a low-income solar access ("LISA") offering, using a staged approach, as described below. LISA costs are discussed in the Company's response to PUC 1-8.

Initially, the Company would limit LISA enrollment to A-60 customers who are also enrolled in the Arrearage Management Program ("AMP"). Enrollment would be automatic upon enrollment in the AMP program, and as a result would not incur additional incremental cost for identifying and qualifying these customers. AMP eligibility criteria are set forth in Rhode Island General Laws Chapter 39-2-1(d)(2)¹ and the Company's Residential Assistance Provision, R.I.P.U.C. No. 2239.

¹ Per R.I. Gen. Laws Chapter 39-2-1(d)(2), for a customer to remain enrolled in the AMP, the following conditions must be met:

- (i) The customer has an account balance of at least three hundred dollars (\$300) that is more than sixty (60) days past due;
- (ii) The customer is eligible for the federal low-income home-energy assistance program and the account is enrolled in the utility low-income rate if offered;
- (iii) If utility service has been terminated, the customer shall make an initial payment of twenty-five percent (25%) of the unpaid balance, unless the commission has enacted emergency regulations in which case the customer shall pay the down payment required by the emergency regulations;
- (iv) The customer agrees to participate in energy efficiency programs;
- (v) The customer applies for other available energy-assistance programs, including fuel assistance and weatherization;
- (vi) The customer agrees to make at least twelve (12) monthly payments in an amount determined by the utility and based on the customer's average monthly usage of the previous year, and the customer's actual or anticipated fuel assistance, if known. The electric- and/or gas-utility company shall review the payment plan every three (3) months and may adjust said plan based on the following: the amount of or change in fuel

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assistance; the customer moves, actual usage differs from estimated usage; and/or significant changes in the company's energy costs or rates from the time of anticipated enrollment;

(vii) With each payment, a portion of the customer's outstanding account balance shall be forgiven in an amount equal to the total past-due balance divided by the number of months in the customer agreement;

(viii) Up to one thousand five hundred dollars (\$1,500) shall be forgiven in a twelve-month (12) period. If the outstanding account balance is greater than one thousand five hundred dollars (\$1,500), the length of the agreement may, at the request of the customer, be extended for more than twelve (12) months to accommodate the total outstanding balance, provided that the customer is current with payments at the conclusion of the previous twelve-month (12) period;

(ix) The customer agrees to remain current with payments. For purposes of this subsection, remaining current shall mean that the customer: (A) Misses no more than two (2) payments in a twelve-month (12) period covered by the agreement; and (B) That the amount due under the agreement is paid in full, by the conclusion of the twelve-month (12) period of the agreement;

(x) Failure to comply with the payment provisions set forth in this subsection shall be grounds for the customer to be removed from the repayment program established by this subsection and the balance due on the unpaid balance shall be due and payable in full, in accordance with the rules of the commission governing the termination of residential electric-, gas-, and water-utility service, provided, that any arrearage already forgiven under subsection (d)(2)(ii) of this section shall remain forgiven and be written off by the utility. The amount of the arrearage, so forgiven, shall be recovered by the electric and/or gas company through an annual reconciling factor approved by the commission;

(xi) The commission may promulgate rules and regulations to implement this section that ensure efficient administration of the program in a non-discriminatory manner consistent with the goal of providing assistance to customers who are willing and able to meet their obligations to the utility under this program;

(xii) Each public utility that provides gas or electric service to residential ratepayers shall file tariffs implementing the requirements of this section on a date to be determined by the commission which shall allow for the program to be in place no later than October 1, 2016; and

(xiii) After two (2) years from the date of completion of the plan or removal from the plan for failure to remain current with payments and upon recommendation from a community action partnership agency, a customer shall be eligible to enroll in a subsequent arrearage forgiveness plan.

(xiv) A customer, who completes the schedule of payments pursuant to this subsection, shall have the balance of any arrearage forgiven, and the customer's obligation to the gas and/or electric company for such unpaid balance shall be deemed to be fully satisfied. The amount of the arrearage, so forgiven, shall be treated as bad debt for purposes of cost recovery by the gas or the electric company up to the amount allowed in the gas and/or electric company's most recent general rate filing. In the event the gas or electric company's bad debt for a calendar year exceeds the amount allowed in the most recent general-rate filing for the same

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AMP participants are a priority because of their income limits and their demonstrated effort to manage and address their arrearages. Also, a customer's term in the AMP is 12 months (or, an additional 12 months if requested by the customer and the outstanding balance is more than \$1,500), which means that the LISA program would assist a customer for a limited, but still meaningful, period.

Eventually, as solar capacity in the program grows, the LISA program could be expanded beyond customers enrolled in the AMP to include more A-60 customers. Over time, more sub-groups of A-60 customers could be enrolled in succession (e.g., perhaps beginning with customers located in economically disadvantaged communities, or some other system of prioritization).

period, the gas or electric company shall be entitled to recovery of those write-offs that were the result of the arrearage forgiveness plan set forth in this section.

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PUC 1-2

Request:

Should there be additional eligibility criteria? Ex: participation in EE, participation in payment plan or budget billing, etc. Please explain the reasons for your responses.

Response:

No. As discussed in the Company's response to PUC 1-1, there are sufficient eligibility criteria just for a customer to qualify for and remain within the Arrearage Management Program. Each additional requirement reduces the likelihood that a customer can participate in the Low Income Solar Access offering, which the Company does not recommend.

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PUC 1-3

Request:

Should there be an eligibility disqualification? Ex: customer not in good standing, etc. Please explain the reason for your responses.

Response:

As stated in the Company's responses to PUC 1-1 and PUC 1-2, there are sufficient criteria for a customer to qualify for and remain within the Arrearage Management Program ("AMP"), and the Company does not recommend additional reasons to disqualify an otherwise eligible customer from the Low Income Solar Access ("LISA") program. For example, per R.I. Gen. Laws Chapter 39-2, Section 39-2-1(d)(2)(ix), a customer agrees to remain current on payments and that remaining current means that the customer cannot miss "more than two (2) payments in a twelve-month (12) period covered by the agreement." Also, more disqualification criteria would increase the administrative burden and cost associated with verification and operation of the program and would run contrary to its intent. Bill credits from the LISA program should help a customer in the AMP remain in good standing. Disqualifying the customer for some other reason seems contrary to the intent of the program.

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PUC 1-4

Request:

What should the term of off-taker eligibility be? For example, it could be the entire tariff term of the facility; monthly for a period of months or years; it could be a one-time bill credit; or it could be something else. Please explain the reason for your preference.

Response:

The term of off-taker eligibility should be as long as the customer meets the eligibility criteria described in PUC 1-1. A customer should not be removed from the Low Income Solar Access ("LISA") offering unless their circumstances change such that they no longer meet the eligibility criteria (e.g., they have completed their 12-month payment plan under the AMP or have not remained current as defined under the AMP).

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PUC 1-5

Request:

Should customers be allocated kWh credits or a fixed bill amount? Please explain the reasons for your preference.

Response:

At present, solar that is operating as Community Remote Distributed Generation ("CRDG") facilities within the Renewable Energy Growth ("REG") program currently transfer a bill credit to enrolled customers on a kWh basis, for the lesser amount of available generation or the last monthly use reading of the customer, up to their percentage allocation from the facility as stated on its Payment Credit Transfer form.

However, within a Low Income Solar Access ("LISA") program, the Company could "pool" bill credits received from CRDG facilities and then provide them to enrolled customers on a stable value basis (e.g., beginning small with what is available from the initially enrolled projects and increasing up to a proposed maximum of \$10 per month) for a fixed period of time.

To begin offering the LISA program, new tariff language governing "credit pooling" for CRDG would need to be developed, reviewed, and approved by the Commission. However, if this were done expeditiously, access to the LISA program could be offered to solar capacity that enrolled in the REG program prior to Program Year 2022. There is a significant amount of solar capacity already enrolled in the REG CRDG program, but still under development and construction, and not yet operating. If already enrolled but not yet operating CRDG projects were allowed to participate in the LISA program, after all necessary tariff revisions are complete, then more solar would be available to AMP customers sooner – beyond those facilities that enroll in the 2022 Program Year or later, and begin operating one to three years after that.

Also, in the Company's view, CRDG projects that participate in the LISA program should probably be required to provide a bill credit to the "pool" that is at least 50% higher than the minimum bill credit currently required by their year of enrollment and class. The Company's reason for imposing a higher bill credit requirement is to account for the initial and ongoing project savings captured by the developer when the Company handles its customer enrollment, which will continue for as long as the facility is a LISA participant, or until the LISA program is discontinued. Such savings should be directed to the "credit pool," which would require a different minimum bill credit to be added to the REG tariff.

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PUC 1-6

Request:

How should the crediting be administered? Ex: Should it be similar to CRDG crediting now where customers are enrolled and issued credits as they become available or, could National Grid wait until a project is operational, build up credits and then enroll through an annual disbursement plan, or something else? Please explain the reasons for your preference.

Response:

Credits from the Low-Income Solar Access ("LISA") program should be provided to customers through "credit pooling." In brief, all bill credits, measured in dollars, generated by LISA-enrolled solar projects would be aggregated, thereby creating the "credit pool." The credit pool would be forecasted and, based upon the number of participants in the LISA program which, in the Company's proposal, would begin with customers that enroll or are enrolled in the Arrearage Management Program ("AMP"), an equal monthly credit would be calculated for a Program Year, and all participating customers in the LISA program would receive the monthly credit as long as they remain active in the AMP.

At the end of a Program Year, the Company would determine the difference between the actual solar bill credits generated versus the estimated solar bill credits generated and reflect that difference in the following year's solar bill credit estimation. Please note that this forecasting method could involve the use of bill credit "buffers" and "deficits," based on when solar projects are expected to come online.

Credit pooling eliminates the need for the administrator of the program to match customers with individual projects, and to calculate customer bill credits on a project-by-project and month-to-month basis. This minimizes the administrative costs of the program and allows more value to flow to customers. Credit pooling would also dilute the risk to participating customers due to under-performance or non-performance of any single solar project.

Based on the Company's work with its Customer Council and with low-income advocacy groups, customers in need prefer consistent, regular benefits as opposed to variable benefits. The Company believes that credit pooling will provide that desired stability.

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PUC 1-7

Request:

If National Grid is the entity enrolling customers into CRDG projects, could (or should) facilities smaller than commercial size participate? Please explain the reasons for your answer.

Response:

The currently approved Renewable Energy Growth (“REG”) program capacity allocation for Community Remote Distributed Generation (“CRDG”) within the 2021 Program Year does not include medium scale or small-scale solar projects, and such size classes have not been approved in the past. As a result, there are no currently approved ceiling prices for these potential CRDG size classes and no enrolled small or medium CRDG projects. Both a capacity allocation and ceiling prices would be required in order to permit such facilities to participate in CRDG, and to allow them to enroll in the Low-Income Solar Access (“LISA”) program, should the OER and the DG Board recommended them for inclusion. If all of these barriers were addressed, the Company could enroll small and medium facilities in the LISA program, but it is not clear whether the opportunity would be significant enough to justify the costs and effort of including these smaller capacity solar facilities.

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PUC 1-8

Request:

If National Grid is using its access to its customer lists to enroll customers in CRDG projects, what would be the administrative tasks and costs? Please describe with as much detail as can be determined now.

Response:

Until the Company has reached a firm conclusion about the program design, it is difficult to estimate tasks, labor, and associated costs.

To be most efficient, administering such a program would likely require investments in automation, which have not yet been developed nor have the costs been calculated. There would have to be a weighing of the relative cost and benefit of automation, which will depend on the expected scale of the program, initially and over time.

However, the Company would most likely begin with manual credit calculations and application of bill credits, and automatic enrollment of AMP participants. Customer service training and materials would have to be developed on a small scale to meet the initial need. Best practices suggest that a Program Manager would oversee the Credit Pool estimation and reconciliation effort described in PUC 1-6, and provide ongoing program management efforts interacting with customers, developers, the Commission, and other stakeholders. Some time and labor from the billing operations group would also be necessary to conduct credit transfers from the pooled credits and reporting to developers and the Commission, as needed, which has not been estimated yet. The Company has developed estimates of some similar costs for other jurisdictions, and could share that information, but it would have to perform a separate cost estimation effort to account for its jurisdiction-specific program specifications. Please note, given the recently-announced sale of the Company's assets to a new entity, the new entity's estimated costs to absorb this new program could vary from the Company's estimates.